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S E C R E T SECTION 01 OF 03 ADDIS ABABA 001308

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TAGS: PTER PINS ECON EPET ASEC PREF ET CH

SUBJECT: ETHIOPIA: ONLF KILLINGS/KIDNAPPINGS OF CHINESE OIL WORKERS SIGNAL NEW REBEL TACTICS

REF: A. ADDIS ABABA 1291 (NOTAL)
1B. IIR 6 830 0076 07 (NOTAL)

Classified By: AMBASSADOR DONALD YAMAMOTO. REASONS: 1.4 (B) AND (D).

¶1. (S/NF) SUMMARY. The Ogaden National Liberation Front (ONLF) has for the past six months threatened attacks on economic development projects in Ethiopia's Somali (Ogaden) Region being conducted by foreign workers, especially oil exploration. In a shift in tactics in recent months, NGO workers were no longer provided safe passage through the Ogaden area by the ONLF. NGO workers and NGO project sites have been robbed of personal property, vehicles, and supplies. The April 24 killing of 9 Chinese oil workers and over 80 Ethiopians, as well as the taking of 7 Chinese hostages (ref A) signals a more aggressive and violent approach by rebel groups to undercut international support and investment that the ONLF sees as benefiting the Ethiopian government, and the targeting of economic development projects to hurt Ethiopia's economy. END SUMMARY.

¶2. (S/NF) The April 24 dawn attack by some 200 ONLF rebels at a Chinese oil facility near the Somali border in the Ogaden, signals more violent and aggressive new tactics by forces opposed to the Ethiopian government. In a statement emailed to post and to international media, the ONLF took credit for the attack, which resulted in the deaths of 9 Chinese workers and over 80 Ethiopians as well as scores injured. According to sensitive sources (ref B), some 34 ENDF troops were also killed or wounded. Seven Chinese were taken hostage by the rebel group. The Chinese firm used its three helicopters to medevac casualties to Harar; media also reported casualties being brought to Addis Ababa.

¶3. (S/NF) According to GOE officials, the attack was well planned and professionally executed. Over 100 Ethiopian National Defense Force (ENDF) troops stood guard over the Chinese facility, located 65 miles south of the regional capital Jijiga and only 20 miles from Ethiopia's border with Somalia (Somaliland). Initial reports from the area stated that the Ethiopians were completely overwhelmed by the number of rebels and by the surprise of the attack. The Ethiopian government senior leadership has been behind closed doors developing a response to the attacks.

¶4. (SBU) The Ambassador has been in close touch with the Chinese Charge d'Affaires, offering assistance and expressing condolences. Post has sent letters of condolences to the Chinese Embassy and to Prime Minister Meles. Donor country representatives, through the Addis Ababa-based "Ethiopia Partners Group," will issue a statement today "expressing dismay at the massacre," which will, inter alia, also "condemn the killings as well as the subsequent abductions," "call for the immediate and safe release of the abducted individuals," and "reiterate their belief that the resolution of disagreements should be sought through peaceful means."

FOREIGN EXTRACTION OF MINERAL RESOURCES ANGERS REBELS

¶5. (C) The facility was operated by the Zhongyuan Petroleum Exploration Bureau (ZPEB), affiliated with China's largest producer and supplier of oil products, the state-owned China Petroleum and Chemical Corporation (SINOPEC). ZPEB's operations in Africa include drilling in both Sudan and Nigeria, as well as activities in Ethiopia's Somali and Gambella Regions. The ZPEB facility's Addis Ababa-based security manager, a UK national, informed RSO that he expected additional attacks in Gode and Gambella. It is not known what additional security precautions, if any, ZPEB is undertaking.

¶6. (U) ZPEB was contracted by Malaysian oil company Petronas, which has at least four oil exploration licenses for Ethiopia. According to Chinese state-run media, Petronas was one of 19 foreign firms who submitted letters of interest to the GOE in April 2006 in response to an announcement by

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Ethiopia's Ministry of Mines and Energy to develop these Calub and Hilala gas fields in the eastern Somali region. Since 2004, Petronas has also been prospecting for crude oil in Ethiopia's Gambella Region, near the Sudanese border, contracting ZPEB to drill exploration wells. International NGOs assert that the ZPEB facility in Gambella, another region which has experienced major clashes between the civilian population and the Ethiopian military in the past, is guarded by ENDF troops who have displaced local residents.

¶7. (U) The ONLF has publicly warned other foreign businesses to avoid commercial exploitation in Ethiopia's Somali Region. On November 7, 2006, Swedish-listed Lundin Petroleum (which also operates in Sudan, Iran, and Russia) announced a production-sharing contract with the GOE, for the exploration and production of oil and gas in a 24,420 square kilometer area of the Ogaden Basin. Lundin noted that given the Basin's size, only minimal exploration activities had been undertaken (fewer than 70 wells drilled), with Hunt Oil having drilled the most recent well in the Basin in 1995. In response, the ONLF issued a letter on November 12, 2006, distributed to post and the media, stating, inter alia, that "exploratory activities... in designated areas of our homeland... are both unrealistic and unwelcome by the people of Ogaden." The ONLF warned that despite security guarantees by the GOE, "the regime is not now nor has it ever been in effective control of the Ogaden. ... The areas covered by the PSC signed between you and the Ethiopian regime are well within our scope of military operations and as such the security of your operations cannot be guaranteed."

¶8. (U) The November 12 ONLF letter noted: "While we have no dispute with Lundin Petroleum, the ONLF as a matter of policy cannot permit the exploitation of mineral resources in the Ogaden until such time that a legitimate form of self-government exists in Ogaden. We have made this clear to several companies which have expressed a similar interest in Ogaden, including Petronas of Malaysia, as well as Gail and the Gujarat State Petroleum Corporation of India, among others."

VICTIOUS ATTACK SIGNALS CHANGE IN REBEL TACTICS

¶9. (C) The ONLF has not been known for its aggressive attacks on foreigners or foreign operated projects. Attacks have been primarily focused on Ethiopian troops. In an April 26 meeting organized by Embassy REFCOORD, NGO officials reported a shift in security in the Ogaden in the past six months. They reported that in the past, NGO workers were allowed to operate freely in the Ogaden and were not harassed by the ONLF, so long as they were not transporting government workers or directly connected to the GOE. In the past six months, however, harassment has increased, including stopping vehicles more frequently. Over the past two months, the ONLF has begun robbing workers during the vehicle stops, taking personal property, clothes, vehicles and supplies.

¶10. (S/NF) COMMENT: This new, more violent tactic targeting economic development projects and foreign workers by rebel groups in the Ogaden signals a dramatic shift in rebel efforts towards crippling Ethiopia's economy and discouraging foreign investment. This new aggressiveness could stem from pressure by the Eritrean government on the ONLF to step up its efforts, or simply reflect the ONLF's desire to prevent the implementation of gas exploration deals against its wishes. Of concern is whether the ONLF attack will embolden other local armed elements to strike against economic targets in other regions: e.g., the ZPEB oil facility in Gambella, or state-run salt extraction and sugar factories in the Afar region where ARDUF rebels have long fought against the GOE (septel).

¶11. (S/NF) Ambassador met with Chinese Embassy officers April 27 to discuss the attack. According to the Chinese DCM, Zhang Yuebang, the Chinese survivors reported that the attackers wore blue-colored uniforms and were well-trained.

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The attackers also stole vehicles, money, clothes and supplies. The Chinese Embassy is so concerned about the safety of the seven hostages that they have cautioned the Ethiopian government to refrain from taking armed retaliation for fear that the Chinese hostages will be harmed by the rebels. (NOTE: Ethiopian Federal Police wear BDUs in blue camouflage. While one cannot completely discount police involvement, it is more likely that the uniforms were stolen.
END NOTE.)

¶12. (C) COMMENT CONTINUED: The Embassy is placing most parts of the Ogaden off-limits for travel and work, including humanitarian work. International NGOs, as well as UN agencies such as the WFP, are reassessing and downsizing their programs near the Somali border. The Embassy is also examining other areas of increasing concern:

-- In Gambella Region, bordering Sudan, small arms are becoming more numerous, with NGOs and Addis AQA-based Government of Southern Sudan (GoSS) contacts reporting that the Khartoum government, with assistance from Eritrea, is rearming rebel groups near the Sudan-Ethiopian border. These groups have recently been active on the Ethiopian side of the border; a recent incursion by 500 Murle tribesmen from southern Sudan killed 26 Ethiopian villagers.

-- Near the Ethiopia-Eritrean border, Shimmelba, a refugee camp for Eritreans fleeing to Ethiopia, is experiencing steady flows of Eritrean youths crossing the border (250-350 per month), and a second camp is being planned. Eritrean refugees consistently report killings by Eritrean troops of people trying to escape over the border. There is some concern that as a second camp is constructed, the Eritrean government, in an effort to stem the flow of youths fleeing to Ethiopia in order to escape military service, may decide to attack these camps for Eritrean refugees.

Post will follow these areas closely and track shifts in the security situation. END COMMENT.

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